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AMERICAN COALITION  
OF COMPETITIVE  
ENERGY SUPPLIERS

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August 15, 2013

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

**VIA ELECTRONIC FILING**

Arizona Corporation Commission  
Docket Control Department  
1200 West Washington Street  
Phoenix AZ, 85007

Arizona Corporation Commission  
DOCKETED

AUG 16 2013

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To Whom It May Concern:

Please find enclosed the original and 13 copies of the responsive comments of the American Coalition of Competitive Energy Suppliers regarding docket No. E-00000W-130135 – In the Matter of the Commission's Inquiry into Retail Electric Competition.

Sincerely,

Frank Caliva III  
Regulatory Consultant  
American Coalition of  
Competitive Energy Suppliers

Director of Public Affairs &  
Strategy Development  
Strategic Communications, LLC  
1012 14<sup>th</sup> Street NW, Suite 1106  
Washington DC, 20005



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Chairman Bob Stump  
Commissioner Gary Pierce  
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Commissioner Susan Bitter Smith  
Commissioner Bob Burns  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007 - 2996

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

AUG 16 2013

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*me*

RE: Responsive comments of the American Coalition of Competitive Energy Suppliers regarding docket No. E-00000W-130135 – In the Matter of the Commission's Inquiry into Retail Electric Competition.

Dear Honorable Commissioners,

Please find below the written responsive comments of the American Coalition of Competitive Energy Suppliers ("ACCES"), in response to the Arizona Corporation Commission ("AZCC") investigation at General Docket Case No. E-00000W-130135 ("13-0135"), regarding concerns raised among parties on consumer protection and awareness about electric competition and energy choice.

ACCES is a group of competitive retail natural gas and electricity suppliers committed to consumer education and media outreach, in order to help consumers better understand and take advantage of the benefits of energy choice and electric competition.<sup>1</sup>

ACCES has developed a variety of resources, including videos, a media outreach campaign, and a website with content including sections on frequently asked questions, consumer rights, how to analyze a supplier offer, and state-by-state information on the status of energy choice. These resources are available not only to consumers, but also for use by state public utility commissions, consumer advocates, and other approved organizations. ACCES's efforts are solely focused on consumer education, and do not include commercial or marketing activities.

ACCES offers the following general comments related to consumer education.

ACCES is committed to working with stakeholders to increase consumer awareness of electric competition and energy choice. ACCES prioritizes its efforts on providing even-handed, transparent education to empower consumers – including Arizonans - to choose energy providers that will best meet their needs and preferences.

<sup>1</sup> ACCES's current membership includes Great Eastern Energy, IGS Energy, Infinite Energy, NRG Retail, SouthStar Energy Services, and U.S. Gas & Electric.

As responsible marketers, our members are seeking to build long-term, mutually beneficial relationships with customers. These relationships are predicated on trust, confidence, and transparency.

ACCES now takes this opportunity to respond to concerns raised by parties in this proceeding on the impact of energy choice on consumers.

### Benefits of Choice

ACCES would like to acknowledge and expand on the comments filed by Phil Griswold on July 15, 2013, who notes, "Just as Arizonans can compare offers for other everyday goods and services based on price, product features and contract flexibility, they should be able to choose the best option for their electricity." Griswold at 1. In an open market, competitive energy suppliers can offer consumers innovative products and services to meet individual energy needs and consumer preferences – such as fixed or variable prices, renewable energy options, energy efficiency audits, and other value-added benefits. Energy choice is not solely about lower prices; energy choice first and foremost should be about positioning and empowering consumers to make informed energy decisions that best meet their individual needs. It is critical to the long-term viability of this, or any, energy market to explain to consumers the range of value-added products and services that suppliers can and will provide, distinct from cost savings. Please view the following for more about the various options that comes with the benefits of choice.

#### *Energy Efficiency Audits & Repairs*

Some suppliers offer home and business energy efficiency audits. Auditors will examine the consumer's property for inefficient appliances, insufficient insulation, cracks or gaps that allow energy leakage, and other problems. The auditor will make recommendations on products and services that can improve the consumer's home or business energy usage, potentially reducing the monthly bill.

#### *Heating, Ventilation and Air Conditioning (HVAC) Services*

Some suppliers include warranty products and equipment repair services for the consumer's HVAC systems when the consumer purchases energy from them.

#### *Renewable Options*

Some suppliers offer renewable energy products, specifically for electricity, which range from partially to 100% renewable. Renewable energy is produced from resources that are restored or maintained through natural processes, like wind (wind power), sunshine (solar power), water (hydro power) and specialty crops (biomass power). Electricity is traditionally produced from resources that are finite: oil, natural gas, coal, and uranium (nuclear power).

#### *Fixed Rate Plans*

Some suppliers offer fixed rate plans, in which customers are guaranteed a set price for a given period of time. Fixed rate plans provide certainty not necessarily savings. The purpose of a fixed rate offer is protection against volatility and unexpected price increases.

#### *Incentives*

Some suppliers offer different incentives for switching, ranging from donations to alumni organizations to airline frequent flyer miles.

Consumer Awareness

We understand some of the concerns that parties have raised regarding consumers' unfamiliarity with electricity choice and whether consumers will be subject to unfair deceptive marketing actions by third party suppliers. Specifically, AARP, in its initial comments on July 15, 2013, said "the risks to consumers that essential electricity service will be more expensive or subject to unfair and deceptive marketing actions by third party suppliers will increase." AARP at 3. As individual suppliers, we know that while an effective regulatory framework for electricity and natural gas choice is crucial, ACCES also strongly believes that robust consumer education is equally vital so consumers can make informed decisions which can lead to long-term success of the marketplace.

To ensure consumer protection, it is critical for consumers to have a basic understanding of how to shop for energy choice and to be aware of how to effectively interact with sales agents representing third party suppliers offering to switch consumers from their utility to a third party supplier. Thus, just like the rights consumers have of other products and services (e.g., cars, phone service providers, health insurance), consumers have certain rights as an energy consumer, too. These rights are in place to protect consumers.

Commenter Ethel Tuachen expressed her concern regarding this matter in her filing of July 24, 2013, arguing, "...choosing suppliers would be difficult, burdensome and maybe even impossible for many among us." Tauchen at 1. ACCES understands that becoming familiar with both the shopping process and consumer protections may seem daunting at first, just as it did for many consumers in other industries in which choice became an option, like the cell phone and cable television marketplaces. We believe helping consumers **overcome** this fear, however, will lead to better outcomes in the long-term for both their own energy needs and the energy needs of the wider community.

Although consumer rights vary slightly from state to state, ACCES focuses on informing consumers about the general protections that exist everywhere to help them be aware of deceptive marketing practices and slamming. Below are a few examples. ACCES currently provides this information via our website, factsheets, and through other informational resources in an effort to help consumers better understand and improve the efficiency of their shopping experience:

- Consumers cannot be **switched from one supplier to another** without their explicit consent. A violation of this right is called "slamming", for which there are steep penalties.
- The **price consumers are paying** for each unit of energy that consumers use must be clearly stated on the consumers' bills. Also, in all markets open to competition, disclosures of any additional fees consumers are being charged or may be charged, including late payment fees, early termination fees, interest charged on fees, etc. are required.
- Eligible customers **cannot be denied service** because of race, color, national origin, age, gender, religion, source of income, receipt of public benefits, family status, sexual preference or geographic location within their service territory.

- Consumers must be notified in advance if their energy supplier intends to **terminate service**.
- Consumers have the right to have their personal or business **records kept confidential** by the supplier and their distribution utility unless given written or electronic consent for disclosure.

Consumer awareness is of utmost importance to ACCES and thus we understand the concerns expressed on this topic by Arizonans, while also acknowledging that many other Arizonans believe expanded choices would be of real personal and public benefit. Therefore we pledge to continue to work with consumers, stakeholder groups, public entities, and others to further advance consumer education and awareness about energy choice and electric competition.

Conclusion

The value of having an educated consumer base which can make informed decisions and understand what choices are available to better meet their energy needs and preferences cannot be overstated. As the AZCC considers whether to enable competition pursuant to an electric choice program, ACCES is happy to provide any support necessary to groups interested in learning more about energy choice and electric competition. Specifically, we offer our videos (viewable at [www.CompetitiveEnergy.org](http://www.CompetitiveEnergy.org)) and other written materials, **free of charge and without restriction**, for use by the AZCC.

Please do not hesitate to contact us with any questions or concerns regarding our comments.

Respectfully submitted,



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